

10 June 88

17 May 1988

OCA FILE

John:

Here are our observations on H.R. 4499, Debt collection and credit management practices:

Sec. 101 assigns authority to the Under Secretary of the Treasury for supervising agencies development of systems for debt collection and credit management, for approval of comprehensive plans for accomplishing these things by agencies, review of agencies plans for compliance with the regulations, submission of comprehensive records from each agency, and providing summaries of agency activities to both Houses of the Congress. The Agency needs to be exempted from these provisions.

Sec. 103 requires each agency to develop comprehensive debt collection plans which will utilize use of credit reports from other Federal agencies to identify employees who are in debt to other Federal programs and activities. OF interprets this section as referring to applicants for extension of credit. If that is so, we are not in the credit business and the section would not affect our operations. Subpara 7 of this section again gets into reporting requirements concerning collection of delinquent debts which the Agency cannot live with and needs to be exempted. The only debts we have are employee and former employee related advances, accountings, etc. Subpara 12 provides for independent review and analysis of our collection programs. We cannot live with this either.

Sec. 201 requires every agency to contract for the collection of debts delinquent by more than 3 months. We need to be exempted from this.

Sec. 202 deals with the sale of debts which have been referred for collection. We need exemption from all of the provisions of this section.

Sec. 203 deals with the use of credit bureaus. We need to be exempted from this section. We cannot divulge our employee debts to outsiders.

Sec. 206 deals with the establishment of a unit for the conduct of litigation for collection of debts, etc. We need to be exempted from the totality of this section. The Agency does not require such a unit for our affairs.

Sec. 209 would prevent the Agency from making funds available to our employees with outstanding debts which could arise from advance accounts. We need to be exempted from this requirement. We cannot enforce this as an across the board dictum in all cases. National security prevents this from happening.

Sec. 211 provides for audit by GAO. The Agency cannot live with this requirement without serious repercussions.

You have asked for our most recent assessment of the Cash Management Improvement Act of 1988, s. 1381. As we have stated some time ago, OF sees no problems with this Bill as it is presented. No Agency or OF equities are affected as far as we can see.

Would you or could you get us a copy of HR 3704 which is a fire safety bill? We are interested in the proposal to not let government travelers stay in motels or hotels that do not have fire sprinklers or smoke detectors. Our problem is how anyone would enforce the provisions of such a law.

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If there's anything else we owe you, let me know.



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